

AMENDED IN ASSEMBLY AUGUST 28, 2015

AMENDED IN ASSEMBLY JULY 2, 2015

AMENDED IN SENATE APRIL 20, 2015

AMENDED IN SENATE APRIL 7, 2015

SENATE BILL

No. 296

Introduced by Senator Cannella

February 23, 2015

An act to add Section 14728 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 296, as amended, Cannella. Medi-Cal: specialty mental health services: documentation requirements.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including specialty mental health services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. ~~In order to facilitate the receipt of medically necessary specialty mental health services by a foster child who is placed outside of his or her county of original jurisdiction, existing law requires the department to create a standardized set of documentation standards and forms. The department is responsible for conducting investigations and audits of claims and reimbursements for expenditures for specialty mental health services provided by mental health plans to Medi-Cal eligible individuals.~~

~~This bill would require the department, in consultation with specified stakeholders, to develop a single set of service billing documentation~~

~~requirements for the provision of specialty mental health services by January 1, 2017, for use commencing July 1, 2017, and would require the department to update the billing documentation requirements no less than every 2 years. The bill would generally prohibit counties from requiring additional billing documentation requirements for Medi-Cal specialty mental health services that go beyond the billing documentation requirements developed by the department.~~

This bill would limit the scope of the service billing documentation requirements the department may apply when conducting an audit of Medi-Cal specialty mental health services to criteria that is clearly and explicitly set forth in specified state regulations, letters, and directives, federal Medicaid terms and conditions, and the Medicaid state plan. The bill would require the department to allow counties and county contract providers of behavioral health services to incorporate by reference any information in a patient's existing case record in subsequent documentation and would prohibit the department from requiring any unchanged information in a patient's existing case record to be copied or reentered into specified treatment documents, unless required by a federal directive. The bill would require the department to consider further revisions to its service billing documentation requirements, and to prepare, in consultation with counties, providers, and other stakeholders, and submit to the Legislature, a proposal to accomplish those objectives, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Counties and private providers that contract for service
- 4 delivery estimate that over 40 cents out of every dollar spent on
- 5 Medi-Cal mental health services goes to paperwork to document
- 6 that the services meet federal billing standards and to avoid
- 7 potential state audit disallowances.
- 8 (b) A national expert reviewed what counties in California were
- 9 requiring of providers and noted that it took 20 minutes of
- 10 documentation to prepare progress notes for a single session of
- 11 psychotherapy, as compared to an estimated five minutes in other
- 12 states.

(c) State guidelines on billing are not significantly different from the requirements of other states, however, counties have added other documentation requirements based on the fear that interpretations of the guidelines during audits may result in some services being disallowed if the additional documentation is not included.

(d) In order to eliminate this pattern, it is necessary for the State Department of Health Care Services to ~~develop a single set of~~ *simplify and clarify* documentation requirements, in consultation with counties and providers, ~~that limits and limit~~ audit disallowances to circumstances clearly spelled out in ~~the requirements.~~ *advance.*

SEC. 2. Section 14728 is added to the Welfare and Institutions Code, to read:

14728. (a) ~~The~~ *When conducting an audit pursuant to this chapter, the* State Department of Health Care Services shall ~~consult with counties, providers, and other stakeholders to develop a single set of service billing documentation requirements for the provision of specialty mental health services.~~ *limit the scope of any service billing documentation requirements it applies, to criteria that is clearly and explicitly set forth in any of the following:*

(1) *Regulations, interpretive letters, and compliance directives sent by the department to counties in a previous fiscal year.*

(2) *Federal terms and conditions of the Medicaid Program.*

(3) *The Medicaid state plan.*

~~(b) The billing documentation requirements developed pursuant to this section shall do both of the following:~~

~~(1) Minimize time and paperwork required of counties and providers, consistent with federal standards.~~

~~(2) Eliminate duplicative or outdated requirements.~~

~~(c) The billing documentation requirements shall be completed by January 1, 2017, for use commencing on July 1, 2017, and shall thereafter be updated no less than every two years through a stakeholder process, unless changes in the Medicaid state plan or other federal rules require that the billing requirements be updated more often.~~

~~(d) After adoption of the standard billing requirements by the department, a county may not require additional billing documentation for Medi-Cal specialty mental health services that go beyond these requirements unless necessary for funding from~~

1 ~~other funding sources that are also used to pay for the services, or~~
2 ~~for purposes other than documentation for billing.~~

3 (b) An audit requirement relating to service billing
4 documentation that is not in compliance with subdivision (a) shall
5 be considered an advisory finding only, for which no disallowance
6 may be made, unless and until the department modifies its
7 regulations to make the audit requirement explicit, or provides an
8 interpretive letter or other written clarification to counties that
9 clearly prescribes the requirement, consistent with subdivision
10 (a).

11 (c) The department shall not require a county or county contract
12 provider of behavioral health services to copy or reenter any
13 unchanged information from a patient's existing case record into
14 any subsequent progress note, assessment, or treatment plan for
15 that patient, unless explicitly required by a federal directive. A
16 regulation, interpretive letter, compliance directive, or audit
17 requirement of the department relating to service billing
18 documentation shall allow counties and county contract providers,
19 when documenting a patient's treatment, to incorporate by
20 reference any information from the patient's entire case record,
21 including, but not limited to, assessments, treatment plans,
22 evaluations, and progress notes.

23 (d) (1) The department shall consider further revisions to its
24 service billing documentation requirements, to accomplish both
25 of the following objectives:

26 (A) Minimize the time and paperwork required of counties and
27 providers, consistent with federal standards.

28 (B) Eliminate duplicative or obsolete requirements.

29 (2) (A) The department shall submit a proposal to the
30 Legislature to accomplish the objectives described in paragraph
31 (1). The proposal shall be submitted in the same fiscal year in
32 which the department submits to the federal Centers for Medicare
33 and Medicaid Services its proposal to revise the billing method
34 for mental health services from the current practice of billing by
35 the minute to a system that provides for greater documentation
36 streamlining, including, but not limited to, a capitated system.

37 (B) In preparing the proposal developed pursuant to this
38 paragraph, the department shall consult with counties, providers,
39 and other stakeholders.

1 (C) *A proposal submitted to the Legislature pursuant to this*
2 *paragraph shall be submitted in compliance with Section 9795 of*
3 *the Government Code.*

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